

MINUTES
UTAH BOARD OF ACCOUNTANCY
October 4, 2006 – 1:00 p.m.
Room 402 - Fourth Floor - Heber Wells Bldg.
160 East 300 South, Salt Lake City, Utah

CONVENED: 1:00

ADJOURNED: 3:26

PRESENT:

Clyde Ormond, Bureau Manager
Jacky Adams, Board Secretary

Board Members:

Robert Bowen	Roy Maxwell
Michael Blackburn	Ruth Potkins
Gordon Haycock	

ABSENT:

None

GUESTS:

Frank Carlton, USPA; Larry Deppe,
UACPA; Craig Jackson, Division
Director; Mitchell Jones, Attorney
General Representative

TOPICS FOR DISCUSSION:
RECOMMENDATIONS:

DECISIONS **AND**

ADMINISTRATIVE BUSINESS:

Approve Board Minutes from
September 6, 2006 Meeting

Mr. Blackburn seconded by Ms. Potkins
made a motion to approve the
September 6, 2006 Board Meeting
minutes, as written, the motion carried
unanimously.

July 2007 Board Meeting date

Ms. Adams explained that the Division
needed to change the date or cancel the
July 2007 Board meeting, due to the
regularly scheduled meeting falling on a
Holiday. Ms. Adams questioned the
Board if their preference was to cancel
the meeting or to change the date to the
July 3, 2007.

It was determined to change the meeting
to July 3, 2007; it will be determined at
a later date if the meeting will need to be
canceled.

APPLICATIONS RECEIVED SINCE THE September 6, 2006 BOARD MEETING:

1:15 p.m. Robinson, Dean

Mr. Robinson met with the Board to

review his application for CPA (Certified Public Accountant) licensure renewal. Mr. Robinson explained that he had contacted the Division around September 27, 2006, concerning the fact that his CPA Firm had not undergone Peer Review since 1999. Mr. Robinson further explained that he had been scheduled for Peer Review in 2002; however, he moved and had not completed the process. Since the initial conversation with the Division Mr. Robinson contacted the Nevada Society of CPA's to schedule a Peer Review, and is anticipating receipt of an acceptance letter.

Mr. Maxwell, seconded by Ms. Potkins made a motion to issue a "Conditional License" to Mr. Robinson until he can prove that he has:

- Scheduled his Peer Review;
- Corrected any deficiencies; and
- Completion of the Peer Review process.

The motion carried with Mr. Haycock and Mr. Blackburn abstaining.

1:30 p.m. Peacock, Brooks

Mr. Peacock met with the Board to review his Mental Evaluation, which was preformed by Ms. Jolie Krechman PhD, Licensed Psychologist. Mr. Ormond questioned Mr. Peacock if he had notified the State of Washington regarding this issue. Mr. Peacock commented that he had and that the State of Washington had taken no action. Mr. Maxwell then questioned Mr. Peacock if all funds had been repaid to his former employer; Mr. Peacock commented that all funds had been repaid.

Time: 1:47 p.m.

Ms. Potkins seconded by Mr. Blackburn made a motion to go into a "Closed Meeting" in order to discuss all aspect of Mr. Peacock's Mental Evaluation, the motion carried unanimously.

Mr. Haycock seconded by Mr. Blackburn made a motion to go into an "Open Meeting", motion carried unanimously.

Ms Potkins seconded by Mr. Maxwell made a motion to place Mr. Peacock on an MOU (Memorandum of Understanding) for two-years, with conditions:

Quarterly Employer Reports;
and
Complete an additional "Ethics Course".

The motion carried unanimously.

Mr. Peacock then commented that he had completed three ethics courses; July 2005 a four-hour State of Oregon course, December 2005 a four-hour State of Washington course, and the AICPA (American Institute of Certified Public Accountants) twelve-hour course. It was determined it may not be beneficial for Mr. Peacock to retake an "Ethics Course".

Mr. Haycock seconded by Ms. Potkins made a motion to remove this stipulation from Mr. Peacock's MOU, contingent upon proof of passing these courses.

1:45 p.m. Chandler, Harry E

Mr. Chandler met with the Board to review his application of licensure. Mr. Ormond explained that Mr. Chandler had become licensed as a CPA in Arkansas in 1983. Mr. Chandler then placed his license to practice on "Inactive" status in 1984.

Mr. Bowen questioned Mr. Chandler on what his professional background was. Mr. Chandler explained that he had worked for a CPA Firm for approximately two-years after he became licensed performing Audits, Compilations and preparing Taxes, he then went to work as a Controller for several years, and since that time he has been a stay at home Dad, due to a

divorce he is now back in the work force. Mr. Chandler then explained that if he chose to reactivate his license in Arkansas the requirements would be to obtain 120 CPE (Certified Professional Education).

Mr. Ormond then explained that Mr. Chandler is trying to receive licensure under 58-26a-302(2)(e)(i)(B)(I), which allows licensure if the applicant can prove they met the requirements for licensure in this State at the time they received licensure in another State. Mr. Chandler had submitted a transcript, which shows proof of a completion of a 120-hour Bachelor of Science Degree in Accounting. Mr. Blackburn then stated that Utah's requirements in 1983 were a minimum of a Bachelor of Science Degree with 120-hours.

Mr. Ormond suggested for Mr. Chandler to reactivate his license in Arkansas, and then reapply in Utah. Mr. Blackburn also suggested Mr. Chandler could go back to school and obtain his Masters in Accounting then reapply for licensure, commenting this could further Mr. Chandlers career.

Mr. Haycock seconded by Mr. Blackburn made a motion to deny licensure, based on the fact that Mr. Chandler has not completed any CE's since he placed his license on inactive status in 1984, the motion carried unanimously.

2:00 p.m. Jones, Paul W

Mr. Jones met with the Board to review his application for licensure as a CPA Firm, and his Peer Review Registration. Mr. Ormond explained that Mr. Jones was not sure if he was required to undergo Peer Review, he would be preparing a financial statement for a friend, on a one-time basis.

It was determine that even if this is a one-time occurrence, Mr. Jones is required to register for Peer Review. Mr.

Bowen explained to Mr. Jones that when it is time for his Peer Review if he has only completed this one financial statement. By submitting a letter to the Nevada Society of CPA's they may be willing to forgo the Peer Review requirement.

2:15 p.m. Deppe, Larry

Mr. Deppe met with the Board to discuss the NASBA (National Association of State Board of Accountancy) Education Committee State Board Questionnaire September 2006. Mr. Deppe explained that he reviewed and had begun to complete the questionnaire. Mr. Deppe then explained that the only options NASBA gives for the answers are multiple choice, and not all of the multiple choice answers are appropriate. He questioned the Board about how they wanted to proceed from this point:

- 1) The Board to complete the questionnaire.
- 2) Mr. Deppe completes the questionnaire.

And also if the Board wanted him to complete the questionnaire how do they want the questions to be answered.

- 1) Answer each question to the best of his ability using the given answers.
- 2) Answer each question to the best of his ability using the given answers, and adding additional written responses as needed.

It was determined Mr. Deppe will complete the questionnaire, answering all questions to the best of his ability using the given answers, and an additional document will be composed which will supplement his responses as needed. Mr. Deppe will then submit the information to Mr. Bowen who will review the information, then submit to the Division to be sent to NASBA.

Mr. Blackburn seconded by Ms. Potkins

made a motion to give full discretion to Mr. Deppe and Mr. Bowen in regards to responding appropriately for this Board, the motion carried unanimously.

2:30 p.m. Comish, Joseph

Mr. Comish did not appear before the Board to review his application for reinstatement of licensure as a CPA. Mr. Ormond explained that Mr. Comish had allowed his license to expire on September 30, 2001, due to not completing all of his required CPE (Certified Professional Education), and Mr. Comish has not worked as a CPA since that time.

After an extensive discussion it was determined that since a completed application with 98 hours of CPE, was submitted on September 27, 2006 Mr. Comish meets the requirements for reinstatement of Licensure as a CPA.

Mr. Blackburn seconded by Mr. Maxwell made a motion to issue this license, the motion carried unanimously.

DISCUSSION ITEMS:

October Focus Questions

The Board reviewed, no action taken.

Direct Supervision

Mr. Bowen read an email, which was received by the Division on September 20, 2006. The email questioned what the definition of "Direct Supervision" was, and if a CPA could sign off on an applicants "Certification of Accounting Experience for Licensure" form, if the applicant is a Controller for a different company.

The Board determined that "Direct Supervision" usually means full time experience working directly with a licensed CPA, who works within the same Firm. The Board also explained that they would review an applicants experience on a case-by-case base. However, based on the information provided in the email, the Board did not feel she was working under "Direct

CPA Exam Applications Processing Time

Supervision".

Mr. Bowen received an email from Ms. Patton of UACPA (Utah Association of CPA's), notifying him that there was a large group of AICPA Uniform Examination applicants, who are concerned with the current twelve-week application processing time. The groups largest concern is that by AICPA taking this amount of time to process applications it may force some applicants to take the Uniform Exams during their busy season.

Mr. Ormond had corresponded with Ms. Hartman of NASBA, who explained to Mr. Ormond that to the best of her knowledge the current processing time was approximately six to eight weeks. Mr. Ormond will submit a letter to UACPA requesting for them to look into how the testing window can be changed from six-months to nine-months.

CPA Rules

Mr. Ormond explained that an error had been found in the CPA Rules under R156-26a-303a (8)(a), which references R156-26a-303a (5)(b) or (c), (c) does not exist. Mr. Bowen suggested changing R156-26a-303a (8)(a) to reference R156-26a-303a (5). Mr. Ormond will write the proposed rules change.

Brown, Benjamin

Mr. Brown could not attend this meeting. Mr. Ormond explained that Mr. Brown had applied for renewal of his CPA license. Answering "Yes" on two of the questions on his renewal form. An additional letter, submitted by Mr. Brown, explained that he had entered into a plea in abeyance agreement on April 28, 2005, to Simple Assault, a class B Misdemeanor; this charge is currently being held in abeyance until all requirements have been met. The letter also explains that Mr. Brown is on medication for a brain injury incurred while he was a child. Mr. Ormond expressed a concern that Mr.

Brown may pose a risk to Public Safety, due to his non-completion of his plea in abeyance agreement, medications he is currently on, and a childhood brain injury.

Mr. Bowen suggested requiring a Mental Evaluation be completed, questioning if Mr. Brown's medications are properly working, and appear at the next Board Meeting on November 1, 2006. Based on the outcome of the Mental Evaluation the Board may issue an MOU for a period of time to insure proper follow through on his plea in abeyance agreement. Mr. Ormond will issue a "Conditional Renewal" until this can be completed.

CORRESPONDENCE:

Utah Law & Rule Pass Rate

The Board reviewed, no action taken.

NASBA – State Board Report

The Board reviewed, no action taken.

North Carolina State – Activity Report

The Board reviewed, no action taken.

NEXT SCHEDULED MEETING:

November 1, 2006

DATE APPROVED

CHAIRPERSON, UTAH BOARD
OF ACCOUNTANCY

DATE APPROVED

BUREAU MANAGER, DIVISION OF
OCCUPATIONAL & PROFESSIONAL
LICENSING